

TOP SECRET

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24 January 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Strategic Warning Working Group Meeting--  
24 January 1969

The meeting of the SWWG dealt with a variety of topics rather than focusing on a single item of business.

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2. Post-Mortem on the Czech Invasion--At the USIB restricted session on 16 January, it was agreed that General Carroll should chair an ad hoc group to study military operational procedures used by the Soviets in occupying Czechoslovakia. The DIA member of SWWG said General Carroll is contemplating having [redacted] (Deputy Assistant Director for Intelligence Production, DIA) head the group and may ask pertinent agencies to assign two persons each to the group.

At the 16 January USIB session, the DCI instructed the SWWG to give him a consolidated report on the areas of possible improvement in warning intelligence performance as stipulated in the SWWG covering memo to the Czech post-mortem. No agency has yet submitted its views to [redacted] on these points.

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3. IDA Contract to Study National Indications Center--The contract (copy attached) has been approved by the DCI. The project will be under the stewardship of IDA's Dr. Belden. The intention is that two IDA people will study NIC's operations and procedures in-house for several weeks. At some point, they will want to get an understanding of the indications mechanisms in each Watch Committee member agency by visiting each one. The question was asked whether a briefing would suffice and the answer was "probably yes." The DIA, NSA, and INR members of SWWG said they foresaw no problems in accommodating IDA on their premises. I was non-committal.

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5. CIA Position Paper on Strategic Warning Capabilities--This paper was sent to SWWG members in mid-December and their comments were solicited. The classification of the paper (particularly of some Annexes) caused problems, but the members reported reactions to date in their organizations as follows:

INR--No basic problems with the paper. They will have some "limited" comments on parts of it.

DIA--Their initial impression was complimentary by and large. They did note some "omissions" which they thought should be rectified and took issue with some technical specifics in some of the annexes. As a broad observation they pointed out that the paper left the impression that all US collection systems were virtually invulnerable to counteraction or deception and that this could be misleading to some readers.

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NSA--Their reaction was not very clear. They asked [ ] for 60 days (!) to do a paper of their own and to comment on the CIA one. I asked whether NSA intended to attack all facets of the warning problem (agents, attaches, embassies, defectors, photo recce, analysis, etc.) or whether they would be confining themselves to their specialty. Answer: they intend to deal with SIGINT or SIGINT-related aspects only. [ ] gave NSA a 7 March deadline for their response.

The next SWWG meeting is scheduled for 14 February.

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CIA MEMBER SWWG

**Attachment:**

1. IDA Contract to Study National Indications Center
2. Soviet COSMOS Reconnaissance Missions as Potential Indicators (COMIREX)

OCI: [ ] (24 Jan 69)

**Distribution:**

Orig - File Cy #1

1 - DDCI CY #2

2 - DDI [ ] Cy#3 ✓

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# INSTITUTE FOR DEFENSE ANALYSES

400 Army-Navy Drive, Arlington, Virginia 22202 • Telephone (703) 550-1000



Norman L. Christeller, Vice President and General Manager

December 10, 1968

Colonel L. K. White  
Executive Director  
Central Intelligence Agency  
Washington, D. C.

Dear Colonel White:

We are pleased to submit our proposal for a study of Operations and Procedures in the National Indications Center.

As indicated in the proposal, we are prepared to begin work on the study as soon as the necessary special clearances are obtained. We expect to complete the study in approximately six calendar months.

We propose a cost-plus fixed-fee contract and our estimate of costs and fee is \$86,000. A breakdown of the estimated cost is enclosed for your information.

The proposal is based on the assumption that IDA will be granted permission to use Government facilities (primarily the CDC 1604 computer) provided under Contract No. DAHCl5-69C-0150. Mr. Thomas J. Scheblik, Deputy Director for Procurement, Defense Supply Service, is the Contracting Officer who should be contacted for permission to insert the appropriate use clause in the contract. He may be reached at OXford 5-2008.

If you have any questions regarding this proposal, please feel free to contact me or either of the following members of our staff:

Technical Questions:

Dr. John J. Martin, Director  
Systems Evaluation Division  
Telephone: (703) 558-1381

Business Questions:

Mr. Guy W. Mullen, Treasurer  
Telephone: (703) 558-1491

Sincerely yours,

Norman L. Christeller  
Vice President and General Manager

December 10, 1968

PROPOSED STUDY FOR THE DIRECTOR OF CENTRAL INTELLIGENCE  
ON OPERATIONS AND PROCEDURES IN THE NIC

I. INTRODUCTION

The Institute for Defense Analyses proposes to study (Phase I) operations and procedures of the National Indications Center for the purpose of defining studies (Phase II) which will improve strategic and political warning techniques and capabilities.

II. STUDY PROCEDURE

Phase I of the study will consist of familiarization by the research staff with the NIC operations. Typically, IDA analysts will work one-half to two-thirds of their time in the NIC itself and at other times as appropriate in the IDA secure facility. It is probable that during the course of the study working papers and other documents will be prepared and will serve as an indication of the progress of the work. During the latter part of the six months period (fifth month or so) a formulation of Phase II activity will be made.

III. STUDY QUESTIONS

Phase I of the study program will consist typically of:

1. Study of and participation in the on-going activities of the NIC for the purpose of understanding current systems, operations and techniques.
2. Development of an understanding of information flow in the NIC environment including internal flow, operating procedures and indicator lists; and the role and relationship of the NIC within the intelligence, foreign affairs and military community.
3. Study of existing message and incident analysis techniques.
4. Development of a perception of pertinence of computer technology to the development of warning.
5. Recommendations for Phase II of the study activity.

Phase I output for Phase II consideration might include, but not be limited to:

1. New data needs.
2. Concepts for utilization of COIN in NIC operations.
3. New or modified communications systems capabilities.
4. Data format design for warning analysis.

5. Suggested analysis techniques by manual or computer means.

6. Research recommendations.

In any case, study conclusions and recommendations concerning NIC operations will be documented and delivered to DCI.

#### IV. STAFF

IDA is prepared to make available at an average three-man level, the effort of five or more analysts during the course of the study. These analysts have backgrounds in the intelligence organizations, in information systems analysis, in message and incident analysis, in human factors, and in information systems technology, modeling and programming.

#### V. SCHEDULE

Work on this proposal can begin immediately, assuming necessary special clearances are approved. About the fifth month of the study effort, a Phase II study proposal will be developed if the study effort indicates this is warranted.

#### VI. COSTS

The attached cost summary reflects the best estimate of the breakdown of the costs to be incurred during the six months period beginning immediately, together with an explanation of these estimates.

ESTIMATED COST BREAKDOWN  
NIC STUDY - PHASE I ONLY

	<u>Man-Months</u>	<u>Amount</u>
Professional Staff Salaries	19	\$ 32,300
Vacation Accrual		<u>2,700</u>
Total Salaries		\$ 35,000
Travel		500
Advisory Services		1,200
Materials & Services:		
Reproduction & Graphics Services		500
Computer Services - In-house		800
Allocated Division Costs		<u>21,000</u>
Sub-total Division Costs		\$ 59,000
IDA Overhead		<u>14,700</u>
Sub-Total		\$ 73,700
General and Administrative Expense		<u>7,400</u>
Total Estimated Cost		\$ 81,100
Management Fee		<u>4,900</u>
Total Estimated Costs and Management Fee		<u><u>\$ 86,000</u></u>

## NIC STUDY

### EXPLANATION OF ITEMS ON ESTIMATED COST BREAKDOWN

#### Professional Staff Salaries

IDA proposes to utilize approximately 19 man-months of professional staff effort to accomplish Phase I of the work described in this proposal. We anticipate that this effort will be expended in the six calendar months following receipt of appropriate clearances.

A man-month of effort is defined as the effort of one professional staff member directly engaged for four weeks in the work required for the performance of the contract including all compensated sick leave and miscellaneous leave authorized in accordance with the IDA leave policy.

Our estimated salary cost is based upon the current salaries of a number of staff members who are likely to work on the project. Our annual salary review occurs during January and February. The estimate reflects a factor for anticipated adjustments which will become effective on March 1.

#### Vacation Accrual

The professional staff accrues four weeks of leave annually. We, therefore, provide for a charge of 8 1/3% of direct salaries which is credited to the leave reserve. Salary paid to a staff member on leave is charged to this reserve.

#### Travel

It appears that there may be a requirement for one or two trips of short duration to gather data to be used in the performance of the proposed work. Although the details have not been finally settled, we have provided \$500 to cover these costs.

#### Advisory Services

It appears that we will need to utilize the services of a consultant for approximately 10 days. This will provide capabilities which we do not presently have available on our staff. We have estimated that the cost will be \$120 per day for this service.

#### Materials & Services

We have provided an amount of \$500 to cover the cost of printing the final report.

We estimate that the proposed work will require some computer time. We have, in-house, a CDC 1604 which has been furnished by the Government. We have provided an estimate of \$800 which will cover approximately five hours of use at the currently approved charge rate of \$150 per hour.



### Allocated Division Costs

There are a number of division costs which can not be readily related to projects such as the costs of division management, administrative and secretarial support, editorial assistance, physical facilities and miscellaneous supplies. Such costs are accumulated and allocated on a pro rata basis to all projects done in the division. The base for allocation of these costs is professional staff salaries.

### IDA Overhead and G & A Expense

These estimates, as well as the Allocated Division Cost above, are based on rates currently established. The DCAA has cognizance over our rates for all DoD work, and the rates used have been approved by them for proposal purposes.

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Approved For Release 2006/02/01 : CIA-RDP80B01495R001300130016-0

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<b>TRANSMITTAL SLIP</b>		DATE
TO: DDI/ [REDACTED]		
ROOM NO.	[REDACTED]	
REMARKS:		
<p>[REDACTED]</p> <p>In this SWW&amp; memo you and [REDACTED] will be interested particularly in para. 2.</p> <p>I would appreciate guidance on the point raised in para. 3 (IDA probe to [REDACTED]). For my part I don't see how we can object given the fact that the contract has the DCI's approval and is Agency financed.</p> <p>Bill</p>		
FROM:	[REDACTED]	
ROOM NO.	[REDACTED]	
		EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

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